

PERS reform passes after Speaker whips last-minute votes

By Claire Withycombe and Aubrey Wieber
Oregon Capital Bureau

The Oregon House of Representatives voted 31-29 on a bill to cut retirement benefits for the state’s public employees.

It was reform most seemed to find distasteful, regardless of party.

Democrats considering supporting the bill risk losing campaign dollars from public employee unions. Republicans say the bill kicks the can down the road by not addressing the long-term issues with the Public Employees Retirement System, known as PERS.

In a rare circumstance, the votes weren’t secured by the time the bill hit the House floor.

As Speaker Tina Kotek continued to call on lawmakers, it became clear the vote was in jeopardy. With a 29-30 tally, Rep. Mitch Greenlick, D-Portland, weighed his decision for what felt like minutes. He then voted against it.

Kotek, never one to give up easily, stood at ease rather than bang her gavel to solidify the vote.

Then she went to work.

The sides of the floor filled with staff and senators, as collective breaths were held in anticipation.

About a half hour later, she returned to the head of the chamber, having whipped votes from Greenlick and Rep. Andrea Salinas, D-Lake Oswego. Salinas’ eyes welled with tears as she walked off the floor.

“I did not feel like this was the right thing to do,” Salinas said later. “I also didn’t think doing nothing was the right thing to do.”

She felt the policy could have been improved by looking at a surplus in the state’s workers’ compensation fund, selling certain assets or increasing the amount of time the state takes to pay down the debt.

Under the bill, employees could see benefits generated by the savings plan drop by 7 percent to 12.5



Oregon House Speaker Tina Kotek

percent, depending on when they were hired and how much time they have left until retirement.

That change would apply to employees making \$30,000 or more — about 97 percent of employees hired before Aug. 29, 2003, and about 90 percent of employees hired after that.

And that change would cease once the system is nearly fully funded. It’s currently about 73 percent funded, according to Oregon PERS.

About 176,000 state employees are members of PERS.

The bill would also cap the amount of money that the state uses to calculate each employee’s benefits. Benefits are partially based on a figure known as final average salary, which, in simple terms, approximates an employee’s annual salary at retirement. That figure would be limited at \$195,000. In each generation of hires — there are three — that change could reduce benefits for a fraction of 1 percent of workers.

Weeks ago, Senate Republicans had staged a walkout, saying PERS reform is needed before more money is dedicated to education. A

deal was struck and they returned, though all voted against an education package. It passed on Democratic Sen. Betsy Johnson’s vote, who said she would only support it alongside PERS reform.

“I think the emotions in me wanted to basically say to workers, ‘We’re not going to let the Senate and their dysfunction take hold of the House,’” Salinas said. “I wanted to give the big, Mr. Smith Goes To Washington kind of speech: ‘That’s not what I came here for.’ But ultimately, I think the logical, policy side of me took over, and said, okay, while this doesn’t feel right, I do think it is right. And knowing that I had 29 other members of my party who were willing to make that logical choice, I think, was what did it for me too.”

Greenlick said he told Kotek he would vote for the bill, but only if needed. They met in private during the break, after which Greenlick returned and changed his vote.

“I hated doing it,” Greenlick said after. “It was the hardest vote I’ve taken in my whole career. I was worried about the effect it has on teachers. But I also think we needed to do something. I would have been

happy to have it done without my help.”

The state’s retirement plan has two parts: a basic pension and a savings account akin to a 401(k).

Lawmakers voted to reduce the amount of money going to the savings account.

Under the plan, employees would contribute the same amount of money to their retirement, but will end up with less money when they retire.

Part of the money they currently contribute to the savings plan would instead be going toward a pension that they do not contribute to right now.

The bill is designed to provide some short-term relief to school districts and local governments throughout the state.

Cities, school districts and other public entities are paying more each year toward retirement benefits for public employees.

Those increases are expected to leap sharply in the next few years, but the bill passed May 30 would reduce increases by stretching out the amount of time the state has to pay down the debt — from 20 years to 22 years. Republicans, who have long railed against the costs of the state’s retirement system, which is bearing down on local governments that have to pay more to retirement every year, on May 30 changed their tune.

Rep. Gary Leif, R-Roseburg, spoke on the floor against the bill, taking some talking points long used by Democrats. He said he liked some parts of the bill, but he just couldn’t get all the way to supporting it because it will “damage” pensions that have already been promised.

“Public employees work very hard for our state,” Leif said. “They’re our employees. They’re our brothers and sisters.”

House Republicans overall were reluctant to explain their votes. When the bill passed the Senate, it

got the nod from three Republicans. Rep. Cedric Hayden, R-Roseburg, said his caucus was not told how to vote, and all were opposed to the PERS reform individually.

He specifically said it “doesn’t address the long-term liability debt.”

Hayden said about a quarter of public employees are eligible for retirement. He thinks this bill could push more into retirement, therefore bringing new hires in without addressing the root causes of the unfunded liability. He’d rather see a 401(k) plan.

“While there is no perfect solution, we needed to address the rising rate costs that threaten public employee jobs and critical services,” Kotek said in a written statement. “Reducing these rates will result in real savings that will give public employees long-term protection for their retirement security and maintain services that Oregonians rely on.”

House Republican Leader Carl Wilson of Grants Pass said the May 30 session was a “lesson in raw-bone politics.”

He compared the bill to refinancing a mortgage, which he said was not a permanent solution to the retirement system’s woes.

The courting of votes started well before the afternoon floor session. The bill was a tough sell from the beginning. Rep. Jeff Barker, D-Aloha, voted against it, but just barely. He was in negotiations with Kotek and Gov. Kate Brown before the session. In exchange for his vote, he wanted one bill dead and two passed. He didn’t want to detail the bills, but said there was “really intense pressure” to vote for the PERS bill, but Kotek and Brown in the end didn’t give him what he wanted.

Speculation began immediately after Greenlick’s vote, with Capitol insiders saying since he is not running for another term, he’s safe from the unions.



State Sen. Jackie Winters

Republican state Sen. Jackie Winters dies

By Aubrey Wieber, Claire Withycombe and Mark Miller
Oregon Capital Bureau

State Sen. Jackie Winters, a Salem Republican who spent decades in public service, died May 29.

The solemn news was delivered on the House floor by Speaker Tina Kotek, D-Portland, shortly after 2:30 p.m. as lawmakers began receiving an email announcing her death.

Representatives stood for a moment of silence to remember Winters, who was a force in the building, known for her progressive work on criminal justice reform as well as a unifier in the Senate Republican caucus.

“She was a pioneering woman in the Oregon Legislature, a true historical figure,” said Senate President Peter Courtney, D-Salem.

The two worked closely together for years. “I’ve lost my partner in public service. The Legislature and Oregon has lost a dedicated servant. We’ve lost the best of the best.”

Rep. Mark Meek, D-Clackamas County, sang “Amazing Grace” at the dais of the House that afternoon. The Senate was adjourned at the time. Shortly after the announcement, a readout board in the Senate lit with a message honoring her.

Winters, 82, was diagnosed with lung cancer in 2017. She last participated in a Senate vote on April 18.

Happy Father's Day

He is... Dad!

He is... Wonderful!

He is... Awesome!

He is... Super!

Danner

Danner footwear makes high quality boots & shoes for all walks of life.

MILLS BUILDING SUPPLY

751 W. Main • John Day

541- 575-1021

Folding Directors Chairs **\$24.99**

Dewalt Miter Saw DW713

Great Gifts for Mr. Fix It.

- Tool Sets
- Lawn Mowers
- Lawn Chair

BEHIND EVERY PROJECT IS A True Value

Downtown John Day
541-575-0632
Open 7 days a week

26 Pc. Screwdriver Set with Rack

\$14.99

\$16.99

7 Pc. Ratcheting Wrench Set

NAPA

721 W. Main St., John Day
541-575-1850

Try our new energy bowls!

Real Fruit Smoothies

Homemade Biscuits and Gravy

Delicious Breakfast Burritos!

821 US-26, John Day, OR
541-575-5778

Log Cabin

Blowers, Earth Augers, Pruners & more

Starting at **249.99**

5 yr. warranty

ATV gun mounts & so much more

John Day POLARIS
Sales & Service
541-575-0828

821 W. Hwy, John Day
541-575-0828

Great selection of Hunting and Fishing supplies

Nydam's ACE Hardware

652 W. Main, John Day
541-575-0549

1188

Brewing Company

BRING IN DAD FOR FATHER'S DAY!

Open 7 days a week
Regular menu
Specialty Bloody Mary's and brews!

141 E. Main, John Day
541-575-1188

Wrangler Jeans, T-shirts, Long & Short Sleeve shirts. Straw hats!

BAR WB

Front St., Prairie City
541-820-3675